

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 18-115—sHB 5383

Insurance and Real Estate Committee

**AN ACT CONCERNING DISPUTES BETWEEN HEALTH CARRIERS
AND PARTICIPATING PROVIDERS THAT ARE HOSPITALS**

SUMMARY: This act requires certain health carriers and hospitals involved in a contract dispute to continue to abide by the terms of their contract, including reimbursement terms, for 60 days after it expires or terminates. The act applies to contracts entered into, renewed, amended, or continued on or after July 1, 2018, between a health carrier and a participating provider hospital (i.e., a hospital that contracts with the carrier to be “in network”) or the hospital’s parent corporation. For parties not agreeing otherwise, the act requires the reimbursement terms of any new or renewed contract executed within the 60-day period to be retroactive to the date the original contract ended.

Health carriers and hospitals that mutually agree in writing to not renew or terminate a contract are exempt from the 60-day requirement as long as they provide the statutory notification, which includes making a good faith effort to notify all impacted patients in writing at least 30 days before the nonrenewal or termination.

The act also increases, from 60 to 90 days, the amount of advanced written notice a health carrier and participating provider must provide to each other before the carrier removes a provider from, or the provider leaves, the network, including in cases resulting from contract termination.

EFFECTIVE DATE: July 1, 2018